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460.509/3-1452

FOREIGN SERVICE DESPATCH

FROM : EXCON, Amembassy, PARIS

2424

DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON

March 14, 1952

REF : COCOM Docs. 522, 549, 561, and 565

9	ACTION	DEPT.
For Dept.	REC'D	REP DCR EUR* FE* GER* OLI*
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ne		COMM* MSA* TR DMS*

SUBJECT: TRANSMITTAL OF COCOM DOCUMENT 648

Transmitted herewith are copies of the following COCOM document:

648 Memorandum from the U.S. Delegation
 U.S. Transportation Order T-1

The text of the U.S. Transportation Order T-1 is reproduced in this memorandum which was submitted by the USDEL as of possible interest to COCOM in connection with its consideration of proposals for the control of shipping in Chinese waters.

Sidney B. Jacques
 Sidney B. Jacques
 Attache

Enclosure (14 copies for Dept.):

COCOM Doc. 648

copies, with indicated no. copies of enclosure, to:

Bonn, Policy Reports	Secretary (5)
Bern (2)	London (2)
Brussels (2)	Oslo (2)
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COCOM Doc 648

Mar. 11, 1952

*Enc. to
Doc # 2424,
from Paris
3-14-52*

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MEMORANDUM FROM THE U.S. DELEGATION
ON
U.S. TRANSPORTATION ORDER T-1.

References: Docs 522, 549, 561, 565.

The U.S. delegation submits herewith, as of possible interest to the Committee in connection with its consideration of proposals for the control of shipping in Chinese waters, the text of the U.S. Transportation Order T-1, which became effective on December 8, 1950, and which prohibits, except under license, the transport of various strategic commodities to certain specific destinations in American flag vessels or aircraft.

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TITLE 32A--NATIONAL DEFENSE, APPENDIX

Chapter IX--Under Secretary for Transportation,
Department of Commerce

Part 1101: Shipping Restrictions

This order is found necessary and appropriate to promote the national defense and is issued pursuant to the authority granted by section 101 of the Defense Production Act of 1950. Consultation with industry in advance of the issuance of this order has been rendered impracticable by the need for immediate issuance.

Sec.

- 1101.1 Prohibited transportation and discharge.
- 1101.2 Applications for adjustment or exceptions.
- 1101.3 Reports
- 1101.4 Records
- 1101.5 Defense against claims for damages
- 1101.6 Violations

AUTHORITY: 1101.1 to 1101.6 issued under sec. 704, Pub. Law 774, 81st Cong. Interpret or apply secs. 101, 705, Pub. Law 774, 81st Cong. sec. 101, E. O. 10161, Sept. 9, 1950, 15 F.R. 6105.

1101.1 Prohibited transportation and discharge. No person shall transport in any ship documented under the laws of the United States or in any aircraft registered under the laws of the United States any commodity at the time on the Positive List (as amended from time to time) of the Comprehensive Export Schedule of the Office of International Trade, Department of Commerce (15 CFR Parts 370-399), any article on the list of arms, ammunition, and implements of war coming within the meaning of Proclamation No. 2776 of April 15, 1948, issued pursuant to section 12 of the Joint Resolution approved November 4, 1939 (54 Stat. 10; 22 U.S.C. 462), or any commodity, including fissionable materials, controlled for export under the Atomic Energy Act of 1946 (10 CFR Parts 40 and 50), to any destination at the time in Sub-Group A of the Comprehensive Export Schedule (15 CFR 371.3 (a)), to Hong Kong, or to Macao, and no person shall discharge from any such ship or any such aircraft any such commodity or article at any such port or at any other port in transit to any such destination, unless a validated export license under the Export Control Act of 1949 or under section 12 of said Joint Resolution approved November 4, 1939, has been obtained for the shipment, or unless authorization for the shipment has been obtained from the Under Secretary for Transportation. This prohibition applies to the owner of the ship or aircraft, the master of the ship or aircraft, and any other officer, employee or agent of the owner of the ship or aircraft who participates in the transportation. The consular officers of the United States are furnished with current information as to commodities on the Positive List and will advise whether commodities are currently on that List.

1101.2 Applications for adjustment or exceptions. Any person affected by any provision of this part may file an application for an adjustment or exception upon the ground that such provision works an exceptional hardship upon him, not suffered by others, or that its enforcement against him would not be in the interest of the national defense program. Such an application may be made by letter or telegram addressed to the Under Secretary for Transportation, Washington 25, D.C., reference T-1. If authorization is requested, any such application should specify in detail the material to be shipped, the name and address

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of the shipper and of the recipient of the shipment...the ports from which and to which the shipment is being made and the use to which the material shipped will be put. The application should also specify in detail the facts which support the applicant's claim for an exception.

1101.3 Reports. Persons subject to this part shall submit such reports to the Under Secretary for Transportation as he shall require, subject to the terms of the Federal Reports Act.

1101.4 Records. Each person participating in any transaction covered by this part shall retain in his possession, for at least two years, records of shipments in sufficient detail to permit an audit that determines for each transaction that the provisions of this part have been met. This does not specify any particular accounting method and does not require alterations of the system of records customarily maintained, provided such records supply an adequate basis for audit. Records may be retained in the form of microfilm or other photographic copies instead of the originals.

1101.5 Defense against claims for damages. No person shall be held liable for damages or penalties for any default under any contract or order which shall result directly or indirectly from compliance with this part or any provision thereof, notwithstanding that this part or such provision shall thereafter be declared by judicial or other competent authority to be invalid.

1101.6 Violations. Any person who wilfully violates any provisions of this part or wilfully conceals a material fact or furnishes false information in the course of operation under this part is guilty of a crime and upon conviction may be punished by fine or imprisonment or both. In addition, administrative action may be taken against any such person, denying him the privileges generally accorded under this part.

This part shall take effect on December 8 1950.

(SEAL)

PHILIP B. FLEMING
Under Secretary for Transportation

(F.R. Doc. 50-11490; Filed, Dec. 8, 1950; 12:20 p.m.)

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